



VCERA

VENTURA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

Retirement Planning Workshop

What is VCERA?

A multi-employer,
defined benefit (DB) pension plan

Provides:

- Service retirement
- Disability retirement
- Survivor benefits to eligible beneficiaries



Advantages of a DB plan:

Note - VCERA is not a savings plan: 401(k), 457, etc.



“Pension promise”

Lifetime retirement income



Annual COLAs

Safety, General Tier 1,
County SEIU, & CNA



**Professionally
managed investments**



Disability retirement



Survivor & death benefits

Membership

Immediate membership
for regular employees
scheduled to work
64+ hours biweekly



Membership type

- Safety
- General



Legacy v. PEPRA member

- Tiers and formulas depend on:
- Original membership date
 - Reciprocity status

Benefit Calculation Factors



Benefit tier



**Years of retirement
service credit**



**Final average
compensation (FAC)**

12 or 36 months



Age at retirement

Benefit Tiers - General



General Tier 1:
“2.35% at 62”

Hired prior to 6/30/1979

General Tier 2:
“2.1% at 62”

Hired 6/30/1979 -
12/31/2012

General Tiers 6 & 8 (PEPRA):
“2% at 62”

Hired on or after 1/1/2013

COLAs apply to all General Tier 1 members, and County SEIU & CNA represented members

**(General Tier 1 = Up to 3%, Other Tiers = Fixed 2% on eligible COLA service;
SEIU: 3/16/2003 forward, CNA: 6/25/2023 forward)**

Benefit Tiers - Safety



Safety Tier 1:

“2% at 50”

Hired prior to 1/1/2013

Safety Tier 7 (PEPRA):

“2.7% at 57”

Hired on or after 1/1/2013



COLAs apply to both Safety Tiers 1 & 7

(Up to 3%)

Example: General Tier 6 (PEPRA) retiree:

- Age 60
 - 20 years of service
 - Monthly FAC of \$7,500
- =
- \$2,700 benefit +
\$108.44 supplemental benefit +
COLA (if eligible)



Reciprocity

Linking eligible retirement systems in California

Advantages of Reciprocity



**Vesting & retirement
eligibility continues**



**Lower entry age,
benefit tier, contribution rate**



All systems use highest earnings

Rules of Reciprocity



**Join new system
within 6 months**

*No overlap/concurrent
service*



**Leave contributions
on deposit**



**Submit request
form to establish**



**Retire from all
systems on
same day**

Alameda Decision

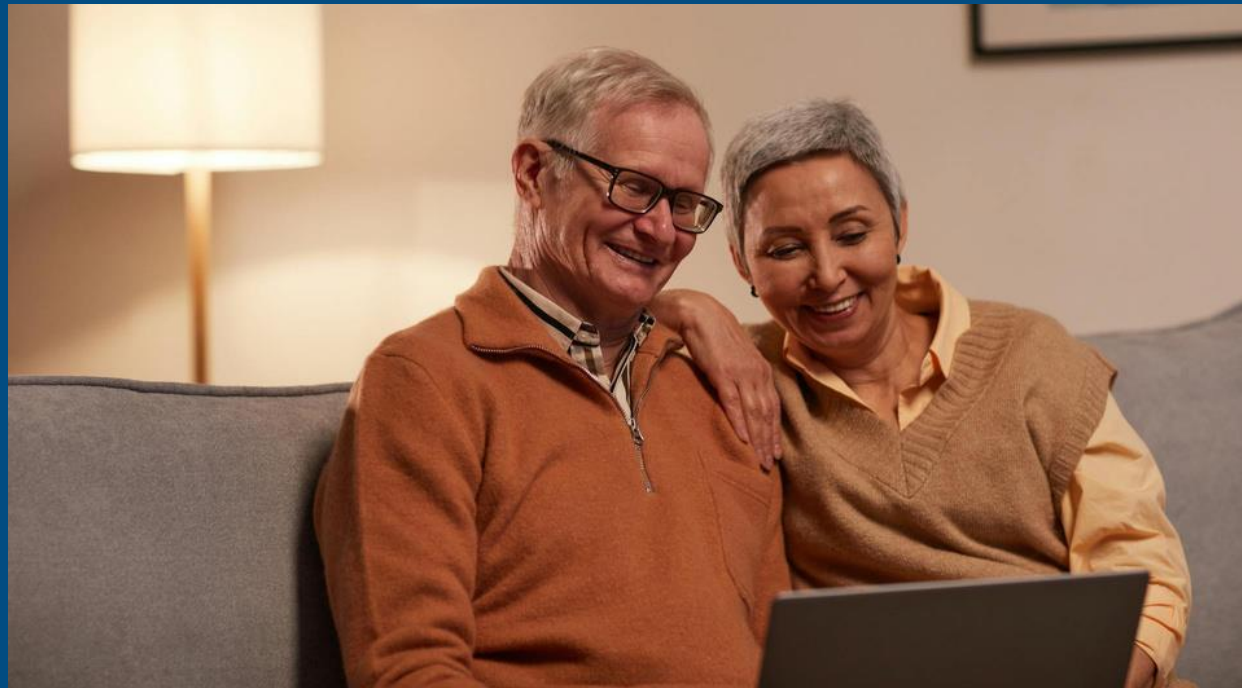


Concluded that all amendments to the definition of **compensation earnable** in Government Code section 31461, enacted as a result of PEPRA, were constitutional.

This court decision may impact members by changing the retirement eligible wages on which contributions and benefits are calculated.

www.vcera.org/alameda

When can you retire?



Legacy members:

- Age 50 w/ 10 years of service credit, or
- General: 30 years of service credit, or
- Safety: 20 years of service credit, or
- Age 70, regardless of service credit



PEPRA members:

- General: Age 52 w/ 5 years of service credit, or
- Safety: Age 50 w/ 5 years of service credit, or
- Age 70, regardless of service credit

Choosing a Retirement Date

Maximize calculation factors:

- Age: target next quarter-year
- Service credit: complete purchases
- FAC (12 or 36 months): buydowns and pay increases

COLA eligibility:

- Retire by April 1 to receive that year's COLA:
- Safety & General Tier 1: up to 3%
- General Tiers 2 & 8 (County SEIU & CNA): fixed 2%
(SEIU: 3/16/2003 forward, CNA: 6/25/2023 forward)

Purchasing Service Credit

Purchasable service:

- Pre-membership period: prior to July 1999
- Extra-help or part-time service before/after 1992
- Unpaid personal medical leaves
- Previously refunded County service (“redeposit”)
- *Prior public service: active military, U.S. government, California government, local public agency

** Not to include overlapping or concurrent service*



Purchasing Service Credit

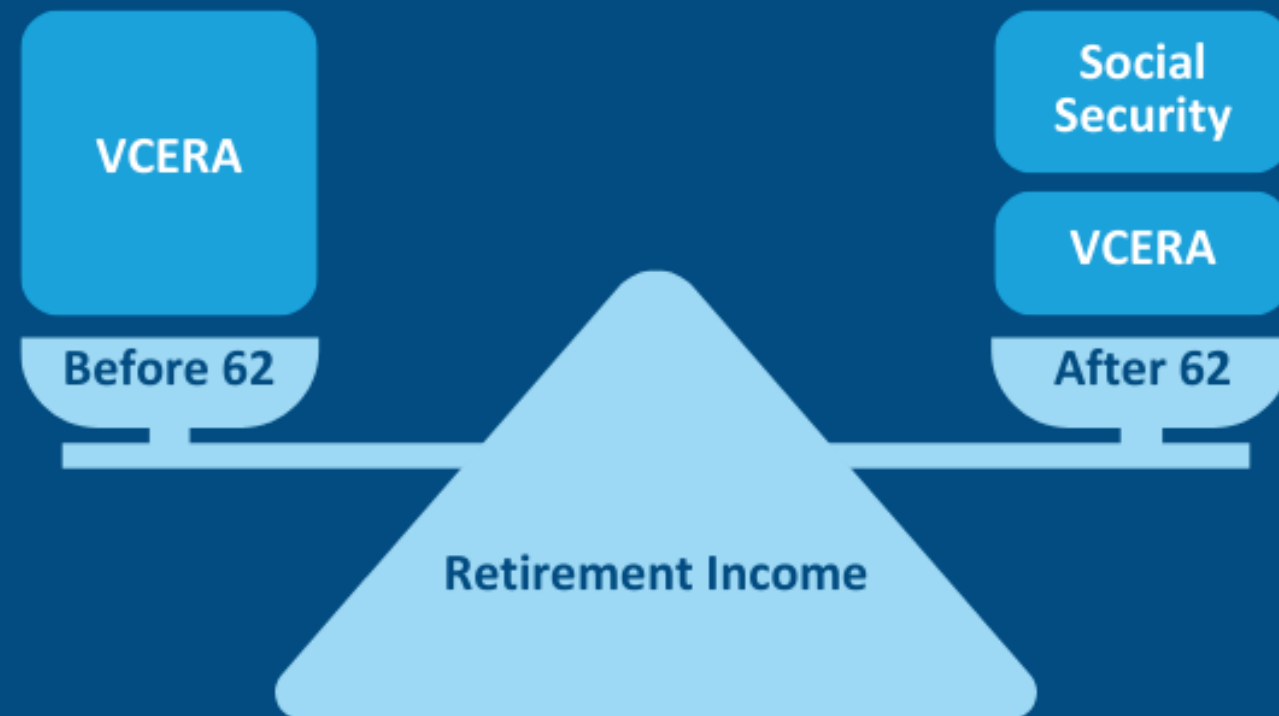
Cannot be entitled to another
pension for service

Payment options for purchases
(payroll deductions, rollover, cash)

Retirement Options

| | <div>★</div> <div>Unmodified (most common)</div> | <div>1</div> <div>Option 1</div> | <div>2</div> <div>Option 2</div> | <div>3</div> <div>Option 3</div> | <div>4</div> <div>Option 4</div> |
|-----------------------|--|--|---|----------------------------------|--|
| <i>Benefit Amount</i> | Highest monthly benefit to retiree | Slightly reduced monthly benefit to retiree (Uses contributions at slower rate) | Reduced monthly benefit to retiree | | |
| <i>Continuance</i> | 60% continuance to eligible spouse/partner/minor child | No continuance | Up to 100% continuance to beneficiary | 50% continuance to beneficiary | Up to 100% continuance to multiple beneficiaries (Cannot change assigned percentages) |
| <i>Beneficiary</i> | Ability to name new beneficiary after retirement | | Cannot change continuance beneficiary(ies) after retirement | | |

Level Income Option



Optional “pension advance program”

Integrates VCERA and Social Security benefits to provide steady income throughout retirement

- Increase in VCERA benefit until age 62
- Reduction in VCERA benefit at age 62
- Apply for SS benefit by age 62 for “level” income

Irrevocable election, so consider implications

Optional Deductions

You may request the following optional deductions be taken from your monthly VCERA benefit:

- Federal and California income tax withholding
- Medical, dental, and vision insurance premiums
- CalPERS Long-Term Care Insurance
- Membership dues in SEIU or REAVC (separate from VCERA)
- Charitable contributions approved by the Board of Retirement
- Any other deduction approved by the Board of Retirement

VCERA does not deduct out of state income tax or payroll taxes, such as FICA.



Community Property (Divorce)

VCERA benefit is a “community property” asset

Process:

- Judgment and draft DRO review by VCERA counsel
- Use VCERA’s sample Domestic Relations Order (DRO)
- Separate account vs. shared benefit
- Benefit not payable until claim is resolved

Contact VCERA’s Community Property Division to discuss and request a community property valuation.

Pre-Retirement Checklist

- ✓ Request an Estimate & Schedule Counseling
- ✓ Submit divorce documentation
- ✓ Complete service purchases early
- ✓ Contact reciprocal systems early
- ✓ Retirement application packet:
 - ✓ Submit within 60 days of retirement date
 - ✓ Application for Retirement, Beneficiary Designation, Direct Deposit, Election of Tax Withholding, * *Name Change Form*
- ✓ Notify your Agency/Department

A photograph of a person lying in a bright blue hammock, suspended between two wooden posts of a pier. The pier is made of weathered wood and extends over a calm body of water. The scene is peaceful, with the water reflecting the sky and the structure of the pier. The person is wearing a red shirt and blue shorts, and their legs are visible, hanging down from the hammock. The background shows a clear blue sky and the horizon line of the ocean.

Post-Retirement Checklist

First check issued in 30-90 days:

- First month + retroactive payment

Inform VCERA of life changes:

- Name, address, marital status, beneficiary, direct deposit

Returning to work:

- If non-VCERA employer, no problem
- If VCERA employer, rules apply
(Contact VCERA for more information)

Member Resources

www.VCERA.org

Pension calculators

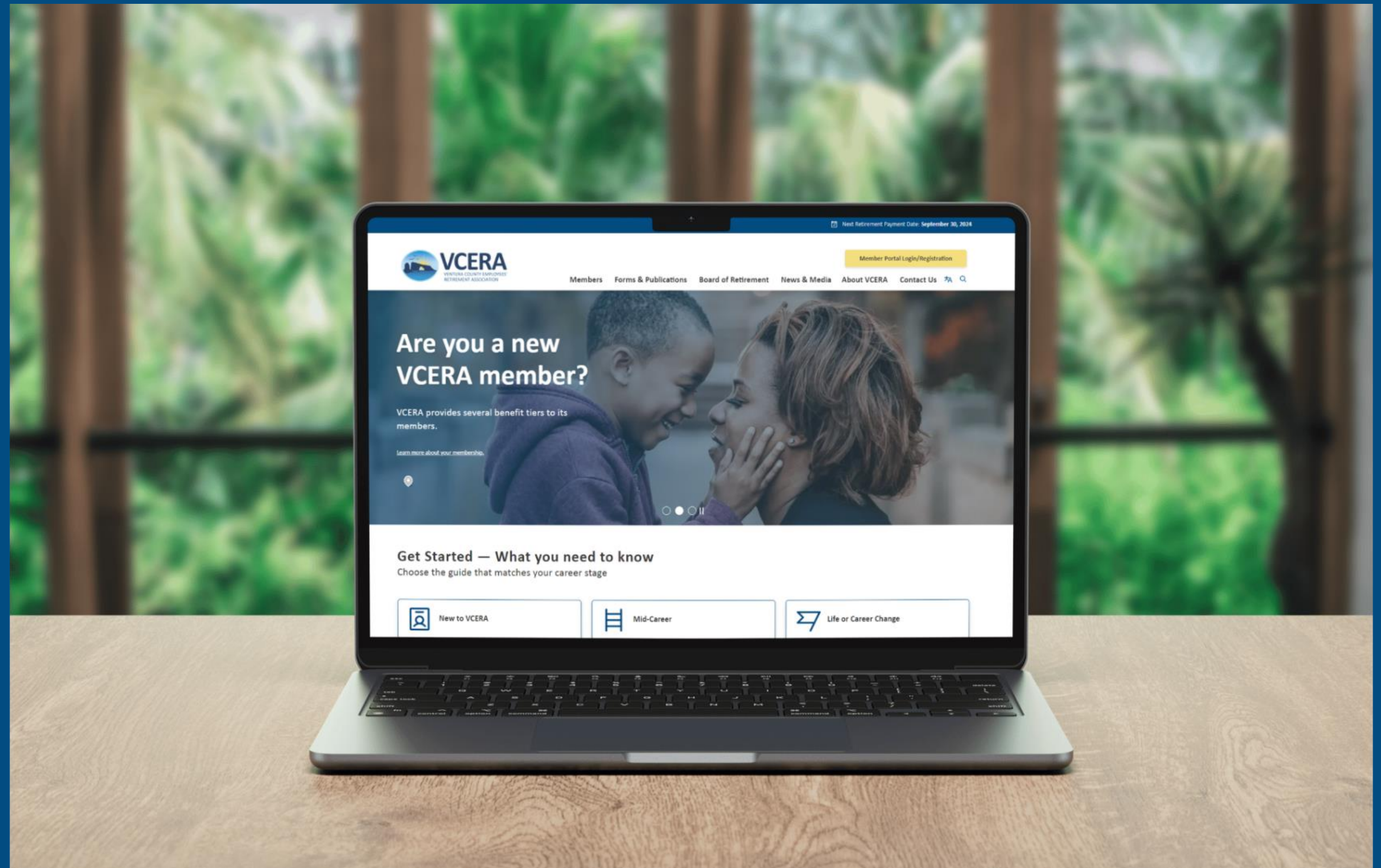
Forms

- Beneficiary
- Reciprocity
- Benefit estimates

Publications

- Newsletters
- Brochures
- Handbook

Member portal



Questions?



Email:

VCERA.Info@ventura.org



Call:

(805) 339-4250



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